

## **The Internet Drives Economic Growth**

*With economic challenges dominating the headlines recently, it's easy to lose sight of one of the bright spots in our economy: the Internet. In an incredibly short amount of time the Internet has emerged as a key driver of economic growth, generating trillions of dollars in economic activity, creating millions of American jobs, strengthening U.S. competitiveness, and offering unprecedented opportunities for growth among small businesses and entrepreneurs.*

### **Economic Growth**

- As the President outlined in his Strategy for American Innovation, the Internet adds as much as \$2 trillion to annual GDP, over \$6,500 per person. ([ITIF, 2007](#))
- Internet advertising alone is responsible for \$300 billion of economic activity in the United States, representing 2.1 percent of U.S. GDP.<sup>2</sup> From 2007 to 2008, Internet advertising revenue worldwide grew by 11 percent. ([IAB, 2009](#)) ([PWC, 2009](#))
- Emerging technology is a \$500 billion global industry, making it the fastest growing business sector in the world. ([International Data Corp, 2007](#))

### **Job Creation**

- Research estimates that global spending on information technology will create 7.1 million new jobs and 100,000 new businesses over the next four years, generating \$592 billion in new tax revenues. ([International Data Corp, 2007](#))
- Internet advertising directly employs more than 1.2 million Americans with above-average wages in jobs that did not exist two decades ago, and another 1.9 million people work to support those with directly Internet-related jobs. A total of 3.1 million Americans are employed thanks to the Internet advertising ecosystem alone. ([IAB, 2009](#))
- For every one percentage point increase in broadband penetration in a state, employment is projected to increase by 0.2 to 0.3 percent per year. For the entire U.S. private non-farm economy, this suggests an increase of about 300,000 jobs. ([Brookings, 2007](#))
- Rural counties in the United States that embraced broadband adoption at the start of this decade enjoy access to more jobs than those that did not, and their residents make more money than their less-connected counterparts. ([USDA, 2009](#))

### **Small Business Success**

- In 2002, a Small Business Administration survey found that 57 percent of small businesses were using the Internet, of which 61 percent had a website. With a website, 67 percent of those small businesses said they gained new customers, 56 percent increased total sales and 56 percent attracted new types of customers.

### **Google and Economic Growth**

- In 2008, Google paid more than \$5 billion in revenue to site owners through our AdSense program, including thousands of small businesses.

- Google was founded just over 10 years ago as a small business in a Silicon Valley garage. Today, Google has hundreds of thousands of AdWords and AdSense customers worldwide, and a significant part of our revenue can be attributed to small businesses and the long tail.